

G. R. S. IX-5]

Previous references.

192 Apr
10. 12. 27 (Gol)

Later references.

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File No.

Serial

GENERAL AND REVENUE SECRETAR

Serial Nos.

7
2000

Part B for

Mar 1827

SUBJECT.

Mineral Licenses and leases
and held by Messrs Tata & Steel & Co
of Bombay

10. 12. 27
NO 20602 D 2.5.2

approve the recommendation
in the subject to the payment of
Royalty

3/5

1920-21

GENERAL AND REVENUE SECRETARIAT.

(*Geol*)

NOTES.

File No. 9220

FILE HEADING.

Mining leases and leases applied for and held by Messrs
Tata and Steel and Iron Company of Bombay

From

The Director Department of Geology

No. 1593

Dated 6.4.1921

Received 11.4.1921

Jary No. 10046.

Enclos. 5

Spare Copies.

Serial No. 1

BRIEF ABSTRACT OF LETTER.

Forwards a copy of letter no SM 449/21. of 12th March 1921 from the
Tata Iron and Steel Co. Ltd requesting the replacement of their existing mining
leases by one common lease of all the 3 blocks and a modification of the said leases
so as to admit of their operating on only one of the 3 blocks, and recommends
that the company may be permitted to carry on operations on only one
of the three blocks in question. NOTES AND ORDERS. and the other two being held
in reserve on condition that the minimum royalty payable annually
in respect of the three leases shall be Rs 1760/- equivalent to the
maximum dead rent leviable under clause 9 of the leases

Submitted for orders with draft

305
15.4.21
14/4/21
15
1st Member)

Secy
15/4/21

16/4

Issue

Secy
18/4/21

G. R. S. III-2]

General and Revenue
Secretariat.

In File No. 92

of 1921

Serial
No.

2

To the Director Dept of Fed

S. 20602 of D.S. & 1

Approves the recommendation

in 861 subject to the payment
of minimum royalty

S. 20603 of D.S. & 1

Forwards a copy of 862 to the
Director Dept of Mines & Fuel

S. 20604 of D.S. & 1

Forwards a copy of 863 to the
Secy E. & A.

CHIEF SECRETARIAT
IV
REVENUE Depts.
21 NOV 1921 (7)

No. 1593.

Dated, Bangalore, 4th April '21

Encl. 5

68

From

B. JAYA RAM, ESQUIRE, F.G.S.,

Director, Mysore Geological Department.

DIARY NO: 10,046

To

K. Matthan, Esq., B.A.,

Offg. Chief Secretary to the Government of

H.H. the Maharaja of Mysore, Bangalore.

Section: Geol

File No: 984

Serial No: 1

CHIEF SECRETARIAT.
6 IV
MINOR DEPTST
11 APR 1921
R. S.

Sir,

I have the honor to submit herewith, for the orders of Government, a copy of letter No.S.M.449/21, dated 12th March 1921, from the Tata Iron & Steel Co., Ltd. requesting (a) the replacement of their existing Mining Leases Nos.148, 149 & 150 over three blocks of land in the Mysore Taluk, by one common lease of all the three blocks, or (b) a modification of the said leases so as to admit of their operating on only one of the three blocks and holding the other two blocks in reserve until their requirements exceed the capacity of a single block.

2. The leases in question were granted on 29th August 1917 and are held for mining Magnesite and Chrome but only the former mineral is being mined at present

3. Clause 11 of the said leases requires the prosecution of mining operations on the blocks without intermission and Clause 9 provides for the levy of a dead rent not exceeding Rs 5/- per annum per acre of the block or portion thereof in the event of the Government not being satisfied with the operations. It is also provided at the same time that both royalty and dead rent shall not be levied but only such one of them as may be of the greater amount.

4. In the above letter the Company represents (1) that in view of the above stipulations they have been operating all these properties taking from each not less than the minimum tonnage required to meet the minimum royalty, (2) that their present requirement is about 350 tons of magnesite per month, (3) that the consumption at this rate is likely to continue for about 18 months or two years longer, (4) that thereafter the requirements are expected to increase rapidly when the output would have to be raised from 500 to 700 tons monthly, (5) that they now wish to concentrate their mining operations on one property without, however, jeopardising their titles to the other properties by failure to meet the requirements of Clause 11, and (6) that by so doing the Company would be able to construct a tramway from the property to the Kadakola Station thereby reducing the cost of transportation of the material.

5. The total area of the three blocks is 352 acres and the maximum annual dead rent leviable in respect thereof under Clause 9 of the leases is Rs 1760/-. The royalty on Magnesite being payable at 10 annas per ton, the quantity of magnesite that should be mined and removed from the three blocks during any year to cover the aforesaid amount of dead rent is 2816 tons. During the past two years, 1919 and 1920, the Company has removed 2923 and 1878 tons, respectively, from all the blocks and paid the royalty due thereon. A statement showing the output, &c., during the two years is appended hereto for the information of Government.

6. The Company's present requirement of Magnesite is stated to amount to 350 tons per month and if the output is maintained at this rate from any one of the three blocks, the royalty payable thereon will be far in excess of the maximum dead rent leviable in respect of all the three blocks.

7. Considering the question from all view points, I am of opinion that the Company deserves the relaxation applied

for

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for, and I beg to recommend, therefore, that the Government may be pleased to accord permission to active operations being carried on on only one of the three blocks in question and to the other two blocks being held in reserve on condition, however, that the minimum royalty payable annually in respect of the three leases shall be Rs 1760/- equivalent to the maximum dead rent leviable under Clause 9 of the leases.

8. It would be sufficient if the permission is granted by an executive order of Government and neither the grant of a single lease for all the three blocks in lieu of the present leases, nor a modifying of the existing leases appears to be necessary as suggested by the Company.

9. The duplicates of the three leases in question are forwarded herewith for reference and return when done with.

I have the honor to be,

Sir,

Your most obedient servant,

B. Jaganmouli

Director,

Mysore Geological Department.

CVV

Letter, No.S.M. 449/21, dated 12th March 1921, from Messrs. The Tata Iron and Steel Company, Limited, Navasari Buildings, Fort, Bombay to the Director, Mysore Geological Department, Bangalore.

Revision of Magnesite Leases.

The Tata Iron & Steel Company Limited hold Mining Leases on the three properties containing Magnesite in the Taluqs of Mysore and Nanjangud. These Leases are as follows:-

(1) Mining Lease No.148 of 29th August 1917 for a property in Solepur;

(2) Mining Lease No.149 dated 29th August 1917 for a property located near Dodkattur comprising portions of Dodkattur and Sindavalli;

(3) Mining Lease No.150 dated 29th August 1917 for a property located in the villages of Dodkanya, Gadambur and Yachagalli.

Under these Leases the Steel Company has the right to mine and quarry Magnesite and Chrome Ore.

Clause 11 of these leases requires the Steel Company to prosecute mining operations in each of the properties comprised in the leases without interruption or permit the leases to lapse. To meet this requirement, the Steel Company has been operating all these properties, taking from each not less than the minimum tonnage required to meet the minimum royalty.

The present requirement of the Steel Company is about 350 tons of Magnesite per month. No Chrome Ore is being mined now. This Magnesite consumption will continue for about 18 months or two years longer, after which the requirements of the Steel Company will increase rapidly so that, two years hence, the output must be raised to from 500 to 700 tons monthly.

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The Steel Company wishes to concentrate its mining operations on one property but does not wish to jeopardize its titles to the other properties by failure to meet the requirements of Clause 11. We ask permission, therefore, to have the present leases replaced ~~xxxxxx~~ by one common lease covering all three properties or the present leases modified in any way satisfactory to Government, but which will permit the Steel Company to hold two of the properties in reserve, operating only one now and not operating only one now and not operating the other two properties until the Company's requirements exceed the capacity of the single property.

In making a new lease or in modifying the present leases so that operations may be continued on one property only, the Steel Company would expect that the total dead rent and minimum royalty would remain as at present and that the tonnage which is mined from one quarry would be credited against the tonnage required from all three under the present leases.

The Steel Company is a consumer of Magnesite and acquired the three properties in order to be assured of a permanent source of Magnesite for its large steel making operations, and all of the properties are necessary to safeguard the supply which the Steel Company must have for the future. In requesting permission to hold two properties unworked, the Steel Company has no intention to exclude others, but merely wishes to protect its future supplies.

This request is made to enable the Steel Company to develop one of these properties on a more economical basis. It will, at the same time enable the deposit to be worked more advantageously for the State. At the present time the tonnage which is mined from each plot is small and it is impossible to open up a large face on each deposit and

to recover economically all of the Magnesite which would be commercially recoverable by such an opening.

As present the Steel Company is transporting Magnesite from the quarries to the Kadakola Station by bullock carts over country roads largely built and maintained by itself. If one property only be worked, the Steel Company expects to build a tramway to Kadakola Station and thereby reduce its transportation cost by about 50 per cent. It is impossible to build tramways for all three properties because the tonnage from each is so small that such an investment would not be justified.

This matter has been discussed with the First Member of Council, Mr. A.R. Banerji, and this letter is being written to you at his direction. Mr. Banerji has informally expressed the opinion that some suitable arrangement can be made which will protect both the State and the Steel Company.

The operation of the Dodkattur deposit has been rendered difficult by the inability of the Steel Company to secure surface rights to a portion of the property for which it holds mineral rights. These unacquired surface rights are in the village of Dodkattur. Application has been made through Government for this surface, but the matter has not yet been settled. The owner of the surface rights has placed a prohibitive valuation upon the property and we understand has ~~xxx~~ made the statement that he would operate the property himself if he could secure control of the mineral rights. We do not wish to make any arrangement or any new leases which will jeopardize the Steel Company's interest in the mineral on this property, nor which will render still more difficult the acquisition of these surface rights. We will address a separate letter to you regarding these rights.

"Copy"

B. Jaganmouli

Director,
Mysore Geological Department

Statement showing the output etc. of Magnesite during the years
1919 and 1920 and the royalty paid to Government thereon.

Year.	No. of lease.	Quantity obtained.	Quantity removed.	Royalty paid.
1919.	148	213 tons.	nil	nil
,,	149	187 ,,	163 tons.	Rs.102
,,	150	3187 ,,	2760 ,,	,, 1728
	Total:	3587 tons	2923 tons	Rs1830
1920.	148	579 tons	528 tons	Rs 330
,,	149	535 ,,	368 ,,	,, 229
,,	150	1292 ,,	982 ,,	,, 614
	Total:	2406 ,,	1878 ,,	,, 1173

Bangalore,
6th April 1921.

W. Varadachari
For Director,
Mysore Geological Department.

SUBJECT.....

Library No. of letter replied to—10046

General and Revenue Secretariat

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the 191 .

Date of issue—

Signed by—

Section

File No.

Serial No.

No.

To

The Director Department of Geology

Sir

With reference to your letter no 1593
of 6th April 1921 forwarding a copy of
letter no S. M. 469/21 of 12th March 1921
from the Taffa Iron and Steel Co Ltd
requesting the replacement of
existing mining leases by one
lease for all the 3 blocks held by them
the modification of the said lease
so as to admit of their operating on
only one of the 3 blocks, I am directed
over.

carrying the approval of Govt as
recommended by you, ~~the following~~
the Tata Iron and Steel Co Ltd ^{carrying} ~~to~~
~~carry~~ on operations on one of the three
blocks in question ~~and~~ ^{holding} the
other two blocks in reserve on
condition that the minimum
royalty payable annually in
respect of the three leases shall
be Rs 1760/-.

12
1874
The three
leases forwarded into your letter
are herewith returned at N -

Shahid

Secy - Mr

1. 17. 1914
Memo. 720604
for Mr. Schuyler
15/4/21

List of enclosures.

Leases nos 148, 149, 150
sent separately. ~~copy~~

Copy of the same forwarded with
Compliments to the Director, Department of
Mines and Geology

B. O

Copied by

Examined by

Secy 15/4/21
for Mr. Schuyler

memo 720604 - 15/4

Copy of the above is forwarded with Compliments to the
Secretary, Dept. of EPA.

B. O

15/4/21

Secy 15/4/21
for Mr. Schuyler